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Title:

Handwritten radio script regarding the State Premiers' Conference, the 'four sources of money for State expenditure in South Australia' focusing on the special disabilities grant from the Commonwealth.

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Good evening. I want to ~~thank~~ ^{state} the ~~intent of~~ ^{States} to thank Mr. Jennings J.P. who has given these ~~stately~~ ^{stately} nights, talks for me which I have been ~~ill~~ - that has been a great help.

During the last week a ^{States} Premier conference with the Acting Prime Minister & the Federal Treasurer has taken place in Canberra. As a result, ^{then which} ~~certain~~ differences in the manner of this State's budgeting ~~for~~ ~~will~~ in the future, and as the differences have been but little explained in the Press, and as the whole affair has quite erroneously been described as a triumph for Sir Thomas Playford - which is nonsense, I want to tell you about the whole matter tonight.

There have been in the past four sources of money for State expenditure in South Australia. They were:

- (1) The income tax reimbursement.

~~During the war, the Commonwealth~~ Under the last Federal Labor Government, a system of uniform income tax, collected entirely by the Commonwealth Government, was instituted. Prior to that time, not only did every one pay Commonwealth Income Tax, they paid State income tax as well. As the Commonwealth has ^{effective} constitutional priority in the income tax[^] field, the Commonwealth Govt. provided that it would collect income tax at a rate which would in effect, cover the whole of the existing income tax field, & it said to the State that it would

return to them money to reimburse them for the loss of State income tax, (an amount to be calculated on a special formula) provided that the State levied no further income tax there, else.

So since that time, the largest item of State revenue has been the income tax reimbursement.

- (2) The second source of revenue has been ~~to~~ from those taxes & imports which the State still makes - such as Succession Duty, Stamp Duty, ~~inheritance~~ Land Tax, & the like.
- (3) The third source of money is the amount which was allowed in public borrowing as fixed for S. A.'s share by the Loan Council. These loan monies, naturally enough, are for the most part expended in permanent capital works.
- (4) The fourth source of money was a special disabilities grant from the Commonwealth as recommended by the Grants Commission after investigation. Under section 96 of the Commonwealth Constitution special grants may be made to the States by the Commonwealth where those States are suffering from disabilities. The three smaller States, S. A., W. A., & Tasmania have regularly been claimants for disabilities grants in this way.

The way in which the Grants Commission operated was to take the ^{average} level of expenditure taxation, & charges on State undertakings in the eastern or non-claimant States, & compare these ~~to~~ with the level of ~~taxation~~, expenditure, taxation, & charges on State undertakings in the claimant States. After allowing to the claimant States a margin above the average level of the non-claimant States to allow for their special disabilities, the Commission would recommend a figure for the Commonwealth Grant which ~~put~~ would put each State in the same budgetary position as ~~the~~ the average of the non-claimant States.

~~The~~ Now a significant feature of the way in which the Grants Commission operated was to say that if a State did not spend to the level of the eastern States on social services, and so did not need a reimbursement to bring it to the budgetary level of the Eastern States - then no amount was recommended to be paid in respect of the difference in the standards of expenditure on social services. Let me put it more simply. If the Eastern States spent on average 45/- per head per year on social services, S.A. could also spend 45/- per head per year on social services, + 1% for special disabilities. But if it only spent 35/- per head per year

then of course it didn't get any benefit from the fact that it spent less. In fact if it spent less than to the level of the Eastern States, it missed out on grant which it otherwise might have had. In order to get its full grant, it had to spend to the level of the Eastern States and claim reimbursement.

Now for some time there has been a significant difference between the claims of Tasmania & Western Australia, on the one hand & S.A. on the other, made on the Grants Commission.

On social services, that is on Education, Health Hospitals, Charities, Law Order & Public Safety, the other two smaller States ~~the other~~ have consistently spent more per head of population than have the Eastern States, whereas South Australia has consistently spent less than any State in the Commonwealth on ~~Education~~ these services. In the last year

of review by the Grants Commission there were the figures spent per head of population.

	Tas	W.A.	S.A.
Education	7 12 16 5	7 11 12	6 9 11 5

(and that although S.A., with a bigger ~~school~~ increase in school population than any other State, ought to have spent far more than any other State on education to give comparable service.)

	Tas	W.A.	S.A.
Health etc.	8 3 5	7 13 3	6 19

(and that though S.A. has far fewer hospital beds to population than any other State, &

so to ~~grant~~ compare ~~any~~ ~~to~~ ~~spend~~ ~~more~~ ~~than~~ ~~any~~ ~~other~~ ~~State~~.)

	Tas. W.A.	W.A.	S.A.
Law etc.	3 7 4	2 19 8	2 4 6

On the State services, the S.A. spent about £5/- per head of population less than the other two smaller States. While Tasmania & W.A. have consistently received full reimbursement for ~~their~~ social services to the level of eastern States expenditure, S.A. has consistently gone without millions of pounds in Commonwealth Grant available to us to spend on education, hospitals, law & order if we had spent the money & claimed the reimbursement.

It is not too surprising to find that the Commonwealth, in preparing at the Premier conference a new formula for tax reimbursement, have proposed that S.A. no longer be a claimant State ~~on the~~ for disabilities grant. They were able to point out that the proportionate amount of grant received by S.A. has been for a long time consistently less than those of Tas. & W.A. They were able to say - you don't need the extra money - the Playford Govt. has consistently shown that it doesn't want it.

The result of the Premier conference has been permanent, to set S.A.'s expenditure on education, health, hospitals & charities, law & order & public safety, at a lower level

per head of population than elsewhere in Australia.

So when you find that schools are hopelessly overcrowded, classes too big, educational facilities inadequate, or if you find you can't get in to a public hospital for treatment & you can't afford a private hospital - if you find that you have to apply for public relief & that the amount that you get is pitifully inadequate - as it will be, you will no doubt be able to conclude yourself that it was by this means that Sir Thomas Playford purchased the deep sufficiency of S.A. that is now so much talked of in the press. Sir Thomas has boasted that S.A. tightened its belt on social services. It wasn't his belt that was tightened - it was the belts of our children, of the sick, & of the needy.

The deep sufficiency of S.A. ~~is~~ by ~~its~~ the ending of its status as a claimant State has achieved nothing of any benefit to any person in this State - it has merely confirmed the lack of moral conscience of our governing Government.